



Quarterly Letter – 2021 Q1

April 2021

Dear Friends and Clients:

My, what a quarter it's been. At work and play, who isn't eager for this summer to be the most awesome one ever?

We're seeing similar pent-up yearnings in an array of analysts' second-quarter financial forecasts:

- [“Open the Door to Optimism for 2021”](#) — BlackRock
- [“U.S. Will Be Ready for Liftoff After Mass Vaccination”](#) — Morningstar
- [“Outlook 2021: Things Can Only Get Better”](#) — Commonwealth Financial Network
- [“2021 Global Outlook: The Second Coming”](#) — Russell Investments

A second coming? That last one may take the prize for being the most aspirational of all.

Now, think back to April 2020. A year ago, fear was tempting many investors to pile into safe-harbor holdings, even as most markets staged remarkably strong and surprising recoveries.

This year, we're seeing many of those same market players chasing all kinds of hot holdings, as they now succumb to the *absence* of fear. Consider these quarter-end headlines:

- [“Institutional investors putting risk back on the table”](#) — *Pensions & Investments*
- [“Family Offices Like Archegos Take Big Risks Like Hedge Funds”](#) — *The Wall Street Journal*
- [“Robinhood Trader's Battle Cry: 'It's All Just a Game to Me'”](#) — Jason Zweig, *The Intelligent Investor*

In its [quarter-end recap](#), *The Wall Street Journal* summarized similar sentiments as follows:

“If there is a unifying theme to all this, it is that investors big and small showed no fear of risk-taking to start 2021. In fact, they embraced it.”

Sometimes, an extra shot of bravery is just what the doctor ordered. “No fear,” you tell yourself, as you enter your first marathon. Or launch a new business. Or hug your college-bound child farewell.

That said, to all things balance. *No* fear can be at least as damaging as an excess dose. That’s often true in life. It’s true in investing too, where it’s always best to maintain an accurate assessment of the potential risks and realistic rewards involved in any given approach.

We hope favorable markets continue. But investing is no game of chance. If you were a client of ours last April, we were honored to be by your side, to remind you that your disciplined investment strategy was already in place. Your globally diversified portfolio was already structured to help you maximize expected returns while minimizing the risks involved.

At the time, we encouraged you to stick to plan. Today, we encourage you to do exactly the same. Markets may run hot or cold. The scenery may be different. But your financial journey remains the same.

Regards,


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